



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

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November 23, 2005

Ref: ENF-L

BY U.S. MAIL

Paul Phillips, Esq. Holland & Hart 555 17th Street, Suite 3200 Denver, CO 80202

Brian Burnett, Esq.
Callister Nebeker & McCullough
Gateway Tower East Suite 900
10 East South Temple
Salt Lake City, Utah 84133

Dear Mr. Phillips and Mr. Burnett:

As you are aware, the U.S. Environmental Protection Agency has been trying for some time to facilitate a global settlement of past and future liabilities related to the Vermiculite Intermountain Superfund Site ("Site"), which is located in Salt Lake City, Utah. A detailed global settlement proposal was outlined in a letter to all parties on June 28th of this year. Since that time, the other parties have indicated an interest in proceeding with settlement discussions. The Van Cott Trust, however, has consistently requested more information and is now requesting the participation of other parties who may or may not have liability in this matter. While you have reassured EPA that a proposal is being formulated, we have not yet received any meaningful input that the Trust is ready to proceed with negotiations.

As you have requested, EPA has sent an information request to the Edwards Trust. As soon as we receive the response, EPA will evaluate whether the Edwards Trust has some responsibility in this matter. You have also requested that EPA reconsider the orphan share issue. EPA is unwilling to reopen this issue. As I have indicated to you and the other parties, EPA is attempting to recover some portion of the costs from the Grace bankruptcy proceeding and will account for this in any settlement discussions that we have.

EPA has received requests from the other parties to timely commence negotiations on an administrative order on consent which would fully resolve their liability. EPA has determined

that it is not appropriate to continue to delay the commencement of these negotiations. Therefore, I am requesting that the Van Cott Trust determine if it wishes to participate in these negotiations and, if so, provide to EPA and the other parties a proposal for global settlement by January 17, 2006. If such a proposal or request to participate is not received by that date, EPA will commence negotiations with the other parties for a three-party global settlement agreement.

Sincerely,

Matthew Cohn

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Legal Enforcement Program

cc: Kelcey Land, ENF-RC Joyce Ackerman, EPR-SA

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